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NVIC 3-88
6 Jul 1988

NAVIGATION AND VESSEL INSPECTION CIRCULAR NO. 3-88

Subj: Issuance of Letters of Compliance to Foreign Documented Mobile Offshore Drilling Units Operating on the Outer Continental Shelf of the United States

1. PURPOSE. The purpose of this Circular is to provide guidance concerning the issuance of Letters of Compliance (LOCs) to mobile offshore drilling units (MODUs) documented under the laws of a foreign nation and operating on the U.S. Outer Continental Shelf (OCS).

2. BACKGROUND.

a. On December 4, 1978, final rules were published in the Federal Register (43 FR 56802) which required that each MODU operating under the U.S. flag obtain a Certificate of Inspection from the Coast Guard if it is:

(1) Seagoing and 300 or more gross tons and self-propelled by motor;

(2) Seagoing and 100 or more gross tons and non-self-propelled; or

(3) More than 65 feet in length and propelled by steam.

b. On March 4, 1982, final rules were published in the Federal Register (47 FR 9376) amending Title 33 of the Code of Federal Regulations (CFR), Subchapter N. These regulations prescribed minimum standards for all MODUs operating on the U.S. Outer Continental Shelf, including undocumented MODUs and those documented under the laws of a foreign nation. The purpose of these regulations is to ensure that all MODUs operating on the U.S. OCS are designed, equipped, and operated at a level of safety at least equivalent to that of U.S. MODUs certificated in accordance with Title 46 CFR, Parts 107, 108, and 109. Foreign documented MODUs will be issued LOCs upon determination that they meet the equivalent level of safety required for U.S. units when operating on the U.S. OCS.

3. DISCUSSION.

a. Since foreign documented MODUs must obtain LOCs prior t6 engaging in any offshore activity associated with exploration, development, or production of the minerals of the U.S. OCS, owners should be able to determine if their units can meet these requirements before arriving on the OCS. While the regulations published on March 4, 1982, established regulations for the design, inspection, and operation of MODUs operating on the OCS, they are currently not specific enough to ensure uniform application of the regulations to foreign documented MODUs by the Coast Guard, nor do they provide sufficient guidance to owners to determine if their units will be able to obtain an LOC on arrival on the U.S. OCS.

b. Enclosure (1) to this Circular provides guidance on the application of 33 CFR, Subchapter N to MODUs documented under the laws of a foreign nation and operating on the U.S. OCS.

c. All the guidance contained in this Circular has been previously developed and applied to foreign documented MODUs that were inspected for an LOC for the purposes of engaging in OCS activities.

d. A cross reference guide of regulations pertaining to U.S. and foreign documented units is provided for the convenience of interested individuals as attachment (3) to enclosure (1).

4. IMPLEMENTATION. Any party interested in the specifics concerning application for, inspection, and/or issuance of an LOC to a foreign documented MOW intending to operate on the U.S. OCS, should consider the guidelines of this Circular.

J. D. SIPES
Rear Admiral, U.S. Coast Guard
Chief, Office of Marine Safety,
Security and Environmental Protection

End: (1) Guide for Issuance of a Letter of Compliance to Foreign Documented Mobile Offshore Drilling Units Operating on the U.S. Outer Continental Shelf

GUIDE FOR ISSUANCE OF A LETTER OF COMPLIANCE TO FOREIGN DOCUMENTED MOBILE OFFSHORE DRILLING UNITS OPERATING ON THE U.S. OUTER CONTINENTAL SHELF

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(2) Sample Letter of Compliance
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1. APPLICATION. The guidelines contained in this document amplify the regulations contained in 33 CFR, Parts 140 through 146, Subchapter N, which require that each mobile offshore drilling unit (MODU) documented under the laws of a foreign nation obtain a Letter of Compliance (LOC) from the U.S. Coast Guard prior to engaging in Outer Continental Shelf (OCS) activities. This enclosure is intended to clarify the regulations and assist in their uniform application.

2. ADMINISTRATION.

A. Request for a Letter of Compliance Inspection. The owner of a MODU documented under the laws of a foreign nation should contact the Officer in Charge, Marine Inspection (OCMI), in whose zone the unit will operate, to request an LOC inspection. The LOC inspection must be completed to the satisfaction of the Coast Guard and the unit must be issued an LOC prior to the unit engaging in OCS activities in U.S. waters. All documents submitted to the Coast Guard must be accompanied by an English translation if the originals are in a foreign language. An example of an LOC pre-inspection information sheet is included as attachment (1) to this enclosure and may be used to provide vessel data when requesting an LOC inspection.

B. Issuance of a Letter of Compliance.

1. The regulations in 33 CFR 143.207 specify the following three opt ions under which an LOC may be obtained. For the purposes of this Circular they will be referred to as Options A, B, and C to correspond with the respective paragraphs of 33 CFR 143.207. At the time of application for an LOC, the owner must specify the option under which the unit will be examined.

a. Option A - The design and equipment standards of 46 CFR Part 108.

b. Option B - The design and equipment standards of the documenting nation if the standards provide a level of safety generally equivalent to or greater than that provided under 46 CFR Part 108.

c. Option C - The design and equipment standards for MODUs" contained in the International Maritime Organization (IMO) Code for construction and equipment of MODUs.

2. Owners of units documented under the laws of nations which do not have MODU standards and have not adopted the IMO MODU Code may obtain an LOC only under Option A.

3. When the OCMI has determined that the unit is in compliance with one of the options under 33 CFR 143.207 and the operating requirements for foreign MODUs contained in 33 CFR 146.205, the unit will be issued an LOC. The LOC is valid for one year or until the unit departs the U.S. OCS, whichever occurs first. The LOC will be in letter form and similar to attachment (2) to this enclosure. The LOC will specify the maximum number of persons permitted aboard the unit and the minimum number of lifeboatmen required by the issuing OCMI. The LOC is to be placed aboard the unit and be readily available to Coast Guard personnel.

4. The LOC may be issued with certain outstanding discrepancies permitted at the discretion of the cognizant OCMI. The discrepancies will be noted on a letter attachment to the LOC and indicate what the OCMI deems to be a reasonable time for correction. The LOC will not be issued with uncorrected discrepancies involving fire fighting and lifesaving equipment. Discrepancies left uncorrected from an initial LOC inspection will be cause for denial of subsequent LOCs.

C. Load Line Certificate. Each MODU documented in a country signatory to the 1966 International Convention on Load Lines (ICLL) shall have a valid ICLL certificate. If the MODU does not have a valid ICLL certificate or is documented under the laws of a nation not signatory to the 1966 convention, then the owner must apply for and obtain a "Form B" certificate in accordance with the provisions of 46 CFR Part 42. Owners/operators should be cognizant of the annual survey requirements. Unclassed units built prior to 1969 will not be required to obtain a load line, but will require a freeboard assignment. Application for a freeboard assignment can be addressed to the Coast Guard Marine Safety Center (MSC).

D. U.S. Territorial Sea/Contiguous Zone Restrictions. The LOC permits operation of a unit only upon the U.S. OCS. Units entering the U.S. contiguous zone or territorial sea must be in compliance with applicable pollution prevention regulations (33 CFR 156 and 155), marine sanitation device regulations (33 CFR 159), navigation safety regulations (33 CFR 164) and the requirements for financial responsibility for water pollution (33 CFR 130). Units not in compliance with these regulations are prohibited from entry into these areas and such restrictions will be noted on the LOC.

E. Financial Responsibility for Oil Pollution. Prior to issuance of the LOC, the owner/operator of each foreign documented MODU must obtain the appropriate vessel and offshore facility-Certificates of Financial Responsibility issued under the provisions of 33 CFR, Parts 130 and 135.

F. Prevention of Oil Pollution/IOPP Compliance. All units must comply with the provisions of 46 CFR 109.583 for the prevention of oil pollution. All units 400 gross tons or greater must also comply with 33 CFR, Parts 151 and 155, requirements for equipment and International Oil Pollution Prevention (IOPP) certification (MARPOL 73/78).

G. Discharges of Pollutants from OCS Facilities. When engaged in drilling operations, each unit Rust have a valid National Pollution Discharge Elimination System (NPDES) Permit required by 40 CFR 125.120.

3. SPECIFIC REQUIREMENTS PERTAINING TO OPTIONS A, B, AND C PRESCRIBED UNDER 33 CFR 143.207.

A. Definitions. For the purposes of this enclosure:

1. An existing MODU is defined as a unit documented under the laws of a foreign nation that was built, contracted for, or under construction prior to April 5, 1982.

2. A new MODU is defined as a unit documented under the laws of a foreign nation that is not considered to be an existing unit.

B. Units Applying for an LOC Under Option A.

1. New MODUs - All new units will be inspected for full compliance with the design and equipment requirements of 46 CFR, Part 108. Each unit must also comply fully with the operating requirements of 46 CFR, Part 109 as specified by 33 CFR 146.203.

2. Existing MODUs - All existing units will be inspected for compliance with the equipment requirements of 46 CFR, Part 108 and the operating requirements of 46 CFR, Part 109. Existing MODUs are required to comply with the design requirements applicable to that unit as of April 4, 1982, in accordance with 33 CFR 143.201.

3. Acceptance of Foreign Equipment - Foreign equipment may be accepted by the OCMI in accordance with Part 8 of this enclosure.

C. Units Applying for an LOC Under Option B. The owner of a new or existing MODU should ascertain whether the documenting nation has received from Commandant, U.S. Coast Guard, a statement that the standards of the documenting nation provide - level of safety generally equivalent to that provided by Coast Guard standards for MODUs and subsequent approval to seek an LOC under this option. If not, the owner must make the necessary arrangements with the documenting nation to submit its MODU standards to Commandant (G-MVI) for review and approval. This submittal should be made at least six months prior to the date the owner desires to commence the LOC inspection. The units must meet the operating requirements specified by 33 CFR 146.205(b). Until the Coast Guard has determined that the standards of the documenting nation are generally equivalent to those -of the U.S., a foreign documented MODU may not obtain an LOC under this option. Questions concerning acceptance of equivalencies should be addressed to Commandant (G-MVI).

D. Units Applying for an LOC Under Option C. The owner of a new or existing unit should present the cognizant OCMI with a valid, full compliance IMO MODU Code Certificate issued by the documenting nation or an agent authorized by the documenting nation to act in its behalf.. Certificates bearing exemptions or exceptions will not be accepted as satisfying this option. Units must meet the operating requirements specified by 33 CFR 146.205(c).

4. SCOPE OF INSPECTIONS. To establish uniformity in extent, scope and detail of LOC inspections, owners, operators, and OCMIs should be aware of the following guidelines for performing inspections under the three available options.

A. Units Applying for an LOC Under Option A. Coast Guard personnel will perform inspections of foreign MODUs to ensure compliance with 46 CFR Parts 108 and 109 to the same extent as would be performed for certification of a U.S. documented unit. Owners/operators are advised that Coast Guard inspectors will require the tests and inspections specified by 46 CFR 107.231 to determine if the unit is in compliance with 46 CFR, Parts 108 and 109.

B. Units Applying for an LOC Under Option B. Prior to the issuance of the LOC, Coast Guard personnel will conduct an examination of the unit to determine if the unit and its equipment are being maintained to the documenting nation's standards. The unit must possess a valid certificate, issued by the documenting nation or its designated agent, certifying compliance with that nation's standards. The documenting nation's standard

must be previously approved by the Coast Guard. Other required documents (i.e. SOLAS, Load Line, IOPP, etc.) will be examined to determine that they are valid. If the cognizant OCMI determines that the unit is not being maintained to the documenting nation's standards or that apparent discrepancies between the documenting nation's standards and Subchapter I-A exist aboard a particular unit, Commandant (G-MVI) should be contacted to resolve the matter prior to issuance of an LOC.

C. Units Applying for an LOC Under Option C. Prior to issuance of the LOC, Coast Guard personnel will conduct an examination to ensure that the unit and its equipment are being maintained to the standards specified by the IMO MODU Code. The unit must possess a valid, full compliance IMO MODU Code Certificate issued by the documenting nation. Other required documents will be examined to determine that they are valid. The OCMI should report any discrepancies which may preclude the issuance of an LOC under this option to Commandant (G-MVI). Non-full compliance IMO MODU Code Certificates will not be accepted under this option.

5. SOLAS CERTIFICATES. The Coast Guard recognizes SOLAS Certificates only for matters covered by these certificates. Self-propelled units over 500 gross tons are required to have the following valid SOLAS certificates:

a. Safety Construction;

b. Safety Equipment; and

c. Radiotelephony or Radiotelegraphy (if applicable).

A valid, full compliance IMO MODU Code certificate will be accepted in lieu of the required SOLAS certificates for those matters covered by the MODU Code. In no case will a non-full compliance MODU Code certificate be accepted as a substitute for the required SOLAS certificates.

6. STABILITY. A Load Line Certificate is not sufficient to verify adequate stability of the unit. Acceptance of stability will be based on one of the following criteria:

a. Review and approval of stability calculations and data contained in the operating manual by the Marine Safety Center to the standards contained in 46 CFR, Parts 170 and 174.

b. Examination of stability data contained in the operating manual previously reviewed and accepted under full IMO MODU Code standards by the documenting nation. In cases where a unit's stability has been determined under less than full IMO criteria, a stability test may be required to verify lightship data. Owners and operators are advised that an operating manual not containing supporting calculations and inclining experiment/deadweight survey data, submitted to the Coast Guard for approval, will be determined to be inadequate.

c. Examination of alternative stability criteria accepted by the documenting nation that provides an equivalent level of safety as permitted by Section 3.3.3 of the IMO MODU Code.

7. GENERAL SAFETY REQUIREMENTS. All foreign documented MODUs shall comply with the following provisions as applicable.

A. Workplace Safety. Owners and operators of all foreign documented MODUs operating on the U.S. OCS are responsible for maintaining those units in compliance with workplace safety and health regulations and free from recognized hazards as specified by 33 CFR, Part 142. " -

B. Drydock Examination/Special Examination in Lieu of Drydocking. In order to verify the unit's structural integrity and continued compliance with the design standards specified by 33 CFR 143.201 and 207, all MODUs should undergo a drydock examination or special examination at the following intervals:

1. Units applying for an LOC under Option A - Units are to comply with the requirements specified for USCG certificated units in 46 CFR 107.261. Documentation of recent drydock examinations or special exams in lieu of drydocking witnessed by recognized classification societies may be accepted.

2. Units applying for an LOC under Option B - Units must comply with the requirements of the documenting nation which have been determined by Commandant (G-MVI) to provide a level of safety equivalent to those provided by U.S. requirements. Unit owners must present evidence to the satisfaction of the cognizant OCMI that a drydock examination or a special exam in lieu of drydocking has been conducted in accordance with the documenting nation standards as accepted by Commandant (G-MVI).

3. Units applying for an LOC under Option C - Evidence of full compliance with the provisions of the IMO MODU Code pertaining to all required surveys must be presented to and accepted by the cognizant OCMI.

4. The Coast Guard will not normally conduct drydock examinations or special examinations in lieu of drydocking on foreign units.

C. Cranes. All pedestal mounted revolving cranes must be in compliance with the design requirements and operating standards as outlined below:

1. Units applying for an LOC under Option A - Cranes aboard units are to be inspected, tested, and operated in compliance with the requirements contained in 46 CFR, Parts 107, 108, and 109.

2. Units applying for an LOC under Option B - The cranes may be inspected, tested, and operated in accordance with the documenting nation's standards for cranes if those standards have been determined by Commandant (G-MVI) to provide a level of safety generally equivalent to or greater than that provided by 46 CFR, Parts 107, 108, and 109.

3. Units applying for an LOC under Option C - The cranes should be inspected, tested, and operated in accordance with Chapter 12 of the IMO MODU Code. The unit owners should present evidence that the cranes have been examined and accepted by the documenting nation or its authorized representative within 12 months of the date of application for an LOC.

4. All crane testing and inspection should be witnessed and conducted by:

   a. The American Bureau of Shipping (ABS), Det Norske Veritas (DNV), or the International Cargo Gear Bureau, Inc. (ICGB) for cranes under

certification by these organizations and for cranes on units undergoing LOC inspections under Option A; or for units undergoing LOC inspection under Option B and C, a recognized classification society or other authority designated by the documenting nation to conduct such testing and inspection of cranes.

D. ,,Pressure Vessels. All Options - All fired and unfired pressure vessels should be designed, fabricated, and identified in accordance with the requirements of the ASME Code, the Coast Guard, or other authority recognized by the documenting nation. Additionally, pressure vessels used for compressed air service (including those used in motion compensating, riser tensioning, and guide line tensioning Systems), fired boilers, waste heat boilers, hot water heaters, thermal fluid heaters, and pressurized evaporators require periodic internal inspection and/or hydrostatic testing at the following intervals:

1. Option A - At the time of the initial LOC and every 24 months thereafter.

2. Option B - Within 12 months previous to the date of application of the LOC and again so that intervals do not exceed 24 months.

3. Option C - At the interval specified by the documenting nation but not exceeding 30 months prior to the date of application for the LOC

With respect to Options B and C above, unit owners must present sufficient documentary evidence that such inspections have been made by the documenting nation or its authorized representative within the specified intervals. If satisfactory evidence of prior inspection is not available, pressure vessels will be examined/tested to the satisfaction of the cognizant OCMI prior to issuance of the LOC. Pressure vessels are to be subsequently examined/tested as necessary and the notation of such made on the LOC. Additionally, each pressure vessel must have a relieving device set in accordance with the provisions of 46 CFR 54.15-5(c). Relief devices should be ASME Code stamped approved or built to an equivalent standard recognized by the documenting nation. The relieving devices are to be examined and tested at each inspection for the issuance of an LOC.

E. Lifesaving Appliances. All Options - All units must be equipped with lifesaving appliances in accordance with 46 CFR 108.501 through 527, a standard that has been determined to be equivalent by Commandant (G-MVI), or the IMO MODU Code. All lifeboats on the units must be rigid, totally enclosed, motor propelled, fire protected, davit launched survival craft constructed to comply with the provisions of SOLAS 74, Chapter III, Regulations 5, 6, and 7 or the provisions of 46 CFR 160.035. All lifeboats must be equipped in accordance with the provisions of SOLAS 74, Chapter III, Regulation 11 or the requirements of 46 CFR 108.503. All liferafts must be constructed and equipped in accordance with the provisions of SOLAS 74, Chapter III, Regulations 15, 16 and 17 or constructed and equipped for ocean service in accordance with 46 CFR 108.505. All units must provide life preservers for 125% of the persons allowed on board. All life preservers must be equipped with whistles, lights, and retro-reflective material in accordance with 46 CFR 108.514. The unit owners must present evidence acceptable to the cognizant OCMI that the lifesaving appliance launching devices were satisfactorily weight tested. in accordance with the provisions of A6 CFR 107e239 within 12 months of the date of application for the LOC. Additional weight tests of these devices will be required so that the interval between tests does not exceed 24 months.

F. Carriage of Exposure Suits. All Options - Foreign units on the U.S. OCS operating north of 32N latitude in the Atlantic Ocean and 35N latitude in all other waters shall carry exposure suits approved by the U.S. Coast Guard in accordance with 33 CFR 144.30-5 (a) and (b). Exposure suits approved by the unit's documenting nation may be used only if the suits have been deemed acceptable by Commandant (G-MVI).

G. Fire Safety. All Options - All fixed fire extinguishing Systems, semi-portable fire extinguishers, and portable fire extinguishers are to be inspected and tested annually. In absence of adequate documentation that such testing has been made by the documenting nation or its authorized representatives, testing will be required by the Coast Guard to the satisfaction of the cognizant OCMI. On all units where wood was utilized in construction of the accommodation spaces, each space must be equipped with a smoke or heat detector satisfactory to the cognizant OCMI.

H. Alarms, Remote Controls, and Other Safety Devices. AU Options - The satisfactory operation of installed machinery and switchboard safety devices) all remote closures and shutdowns, and all alarms should be demonstrated at each inspection/examination for issuance of an LOC.

I. Emergency Lighting Systems. All Options - An emergency lighting system capable of a minimum of 12 continuous hours of operation are to be installed in passageways, stairways, escape routes to lifesaving craft, galleys, pantries, emergency power rooms, mess rooms, recreation rooms, manned machinery spaces, and control rooms. Additional emergency lights should be installed to provide adequate illumination for the entire launching process of lifeboats/capsules and liferafts from the stowed position to the water. Relay controlled battery powered lanterns are acceptable for-these purposes, and should be specifically required when a MODU is equipped with an emergency total rig shutdown system.

J. Helicopter Facilities. Helicopter facilities aboard all foreign MODUs are to meet one of the following standards including requirements for helicopter deck fire fighting equipment and helicopter fueling facilities:

1. The requirements of 46 CFR, Parts 108 and 109 if the unit is applying for an LOC under Option A.

2. The requirements of the documenting nation if they provide a level of safety equivalent to or exceeding those specified by 46 CFR Parts 108 and 109 if the unit is applying for an LOC under Option B

3. The requirements of the IMO MODU Code, Chapters 9 and 12, if the unit is applying for an LOC under Option C.

8. ACCEPTANCE OF FOREIGN EQUIPMENT. Where Coast Guard approved equipment is specifically required, foreign approved equipment may be accepted in accordance with the provisions of 33 CFR 140.15. The OCMI may require additional equipment as necessary to ensure that a general level of safety equivalent to 46 CFR, Part 109 is provided. Any equipment specifically prohibited on U.S. units will be prohibited on foreign units.

9. OPERATING MANUALS. All foreign units should have operating manuals complying with the applicable provisions specified in 33 CFR 146.205. Prior to the initial LOC, the operating

manual is to be submitted to the cognizant OCMI for review. The contents of the manual must be in English in addition to any other language understood by personnel routinely aboard.

10. FOREIGN DOCUMENTED UNITS STACKED OR LAID-UP ON THE U.S. OCS, CONTIGUOUS ZONE, OR TERRITORIAL WATERS. Foreign documented units stacked or laid-up on the U.S. OCS, the contiguous zone or in territorial waters should comply with all Coast Guard requirements applied to U.S. documented MODUs should contact the cognizant OCMI prior to stacking the unit in the aforementioned areas to discuss the applicable requirements. Owners and operators are further advised that should the units stack in U.S. state waters, they may be subject to additional requirements imposed by the cognizant state.

11. CITIZENSHIP REQUIREMENTS. The owner/operator of a foreign documented MODU should ensure that the citizenship requirements for personnel employed aboard the unit, set forth in 33 CFR, Part 141, are met prior to commencing drilling operations on the U.S. OCS. Amplifying guidance for compliance with the aforementioned regulations is available in NVIC 7-84.

12. LOC: FAILURE TO MEET REQUIREMENTS. If at any -time the OCMI determines that the unit is not in compliance with the requirements of the option selected for the purposes of obtaining an LOC, the Coast Guard may:

    a. Withhold issuance of the original LOC until the requirements are met;

    b. Withhold issuance of a subsequent LOC until requirements are met;

    c. Suspend an unexpired LOC after a reinspection is initiated due to crew complaint or casualty investigation until requirements are met;

    d. Revoke an unexpired LOC after reinspection if the unit operates without complying with Coast Guard orders to correct serious discrepancies or unlawful conditions; or

    e. Initiate civil penalty procedures against the owner, operator, and/or person-in-charge if violations of 33 CFR 142.1 or other deficiencies remain uncorrected after official notification is given, and a reasonable time for correction expires.

    In all instances where the LOC is revoked or withheld, the Minerals Management Service (MMS) will be notified by the Coast Guard.

SAMPLE PRE-INSPECTION INFORMATION SHEET FOR
A LETTER OF COMPLIANCE

COGNIZANT OCMI:_____

NAME OF VESSEL:_____

TYPE (semi-submersible, jack-up, drillship, etc.):_____

CALL SIGN:_____ NATION OF REGISTRY:_____

IS THE UNIT CLASSED? YES___ NO___

CLASSIFICATION SOCIETY:_____

IMO MODU CODE CERTIFICATE? YES___ NO___ SOLAS CERTIFICATES? YES___ NO___

ISSUING AUTHORITY:_____

OWNER/OPERATOR:_____

_____

TOTAL PERSONS TO BE ACCOMMODATED:_____

INTENDED AREA OF OPERATION: _____

LOC INSPECTION OPTION DESIRED:

33 CFR 143.207 (a)___ 33 CFR 143.207(b)___

33 CFR 143.207 (c)___

INITIAL LOC ___ RENEWAL OF LOC___

HAS A PREVIOUS REQUEST FOR THIS LOC BEEN MADE? YES___ NO___

WHEN/WHERE? _____

DATE AND PLACE INSPECTION IS DESIRED:_____

_____

OWNER/OPERATOR's REPRESENTATIVE:_____

_____
Phone Number

_____
Signature

_____
Title

SAMPLE LETTER OF COMPLIANCE

Commanding Officer
U. S. Coast Guard
Marine Safety Office

16710
Day/Month/Year
Expiration: Day/Month/Year

LETTER OF COMPLIANCE
FOREIGN MOBILE OFFSHORE DRILLING UNIT

MODU FOREIGN DRILLER, Self-propelled semi-submersible, I.D. NO.37104, Call Sign 2GGB, "Foreign" Registry, gross tons 4644, built 1973.

Owner: Foreign Offshore Ltd., c/o Overseas, Inc., 100 Bayou Blvd., New Orleans, LA.

The MODU FOREIGN DRILLER has been inspected in accordance with 33 CFR 140.102, 143.207 and 146.205, and found to be in compliance with ---

*...the design and equipment standards of 46 CFR 108 and the operating requirements of 46 CFR 109.

OR

*...design and standards requirements of the documenting nation that have been determined by Commandant, U.S. Coast Guard to provide a level of safety generally equivalent to that provided under 46 CFR 108 and the operating requirements of 46 CFR 109.

OR

*...the design and equipment standards for MODUs contained in the IMO Code for Construction and Equipment of MODUs (IMO Assembly Resolution A.414(XI)) and the operating requirements of 46 CFR 109.

MINIMUM NUMBER OF LIFEBOATMEN __ MAXIMUM NUMBER PERSONS ALLOWED
_____

Lifeboats, survival craft, davit launched liferafts weight tested __(date)__

Pressure vessels tested or examined ____(date)__

Enclosure (1) to this letter is a list of deficiencies which must be corrected prior to the dates or conditions indicated. Please notify this office when deficiencies have been corrected.

This Letter of Compliance is valid only for operations on the Outer Continental Shelf of the United States and 80 long as the vessel is maintained in accordance with the standards applied at the time of issuance. The requirements of 33 CFR 155 and 156 (are/are not) met. If the vessel enters the U.S. contiguous zone and these regulations are not met, the vessel may be in violation of U.S. law. If the vessel enters U. S. ports, territorial waters, or contiguous zone, additional requirements will apply.

This Letter of Compliance is valid for one year after date of issue or until the unit departs the OCS whichever comes first.

This Letter of Compliance shall be posted under glass in the pilot house, control' 'center or other suitable location. This Letter of Compliance must be surrendered to the U. S. Coast Guard upon expiration or departure from the United States OCS.

Sincerely,

Captain, U.S. Coast Guard
Officer in Charge, Marine Inspection

End: (1) List of Deficiencies
(2) LOC Record Card

*Insert the appropriate section as applicable.

ITEM	U.S.	INTERNATIONAL
LIFESAVING EQUIPMENT		
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Lifeboat davit assembly	108.507	10.5, SOLAS 74 Chap. III, Reg. 48
Lifeboat winches	108.507, 111.95	SOLAS 74 Chap. III, Reg. 48
Lifeboat falls	108.507	10.5, SOLAS 74 Chap. III, Reg. 48
Lifeboat launching system	108.507	10.5, SOLAS 74 Chap. III, Reg. 48
Inflatable liferafts	108.505	10.1, SOLAS 74 Chap. III, Reg. 39
Inflatable liferaft launching system	108.506, 108.508	10.5, SOLAS 74 Chap. III, Reg 48
Arrangement of lifeboats and liferafts	108.511	10.5, SOLAS 74 Chap. III, Reg. 28
Means of embarkation	108.525	10.11, SOLAS 74 Chap. III, Reg. 48
Life floats	NVIC 4-78	*
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ITEM	U.S.	INTERNATIONAL
LIFESAVING EQUIPMENT (continued)		
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Rescue boat	NVIC 4-78	10.2 SOLAS 74 Chap. III, Reg. 47
Distress signals	108.521	10.8 SOLAS 74, Chap. III, Reg. 35, 36, 37
EPIRB	108.523	11.4.1.4
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Portable emergency radio stowage location	109.321	10.7, SOLAS 74 Chap. III, Reg. 6
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ITEM	U.S.	INTERNATIONAL
MARKINGS AND INSTRUCTIONS (continued)		
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Portable extinguisher markings	108.637	*
Location of self-contained breathing apparatus	108.635	*
General alarm switch and bells marked	108.623 - .625	*
Lifeboat markings	108.645	10.1.1, 10.1.4, SOLAS 74 Chap. III, Reg. 31
Inflatable liferaft markings	108.647	10.1.3, 10.1.4, SOLAS 74 Chap. III, Reg. 39
Ring life buoy markings	108.649	10.4,
Watertight doors marked "Keep Closed"	108.665	*
Inflatable liferaft launching instructions	108.655	*
MISCELLANEOUS		
Buoyant work vests	160.053, 108.636, 109.335	*
International shore connection	108.427	9.4.5, SOLAS 74 Chap. II-2, Reg. 19
First aid kit	108.707	10.9
Obstruction lights	33 CFR 67	14.7.2
Fog signal	33 CFR 67	14.7.2

ITEM	U.S.	INTERNATIONAL
MISCELLANEOUS (continued)		
Litter capable of being used in helo	108.709	10.9
Signal light	111.75-18	SOLAS 74 Chap. V, Reg. 11
General alarm	109.201, 113.25	9.7.2, 10.6.4
Hot work	109.573	*
Illuminated magnetic steering compass	108.705, 33 CFR 164.35(b)	*
Magnetic compass deviation table	33 CFR 164.35(c)	*
Maneuvering information fact sheet	109.564, 33 CFR 164.35(g)	*
Navigation publications	109.565, 33 CFR 164.33	*
Sounding equipment	108.701, 33 CFR 164.35 (h)(i)	*
Navigation light indicator panel	111.75-17(b)	*
International code of signal	108.713	SOLAS 74 Chap. V, Reg. 21
MAIN PROPULSION MACHINERY		
Propulsion machinery	58.05, 111.35	4.1/4.8, 7.1/7.4
Propulsion and auxiliary boilers	52	4.1/4.5, 7.1/7.4
Boiler fuel system	56.50-65, 58.01-15	4.7

ITEM	U.S.	INTERNATIONAL
MAIN PROPULSION MACHINERY (continued)		
Boiler feed water system	56.50-30 - 40	4.3, 7.3
Boiler automation	46 CFR 61	4.5 thru 7.4
Boiler and superheater safety valves	52.01-120, 56.50-25	4.2.4 4.3.1
High pressure steam piping	56.50-15, 61.15.5	4.4
Diesels	58.10-10	4.1, 4.2 4.6, 7.1
Diesel fuel system	56.50-75 - 85	4.7
AUXILIARY MACHINERY INSTALLATIONS		
Low pressure heating boilers	53	4.2.4, 4.3.1
Steering gear system	58.25, 111.93	7.5, 7.6, 7.10.3
Evaporators	54.01-10, 54.15-15	*
Deck machinery	108.705	*
Bilge and ballast system	56.50-50 - 90, 33 CFR 155	4.8, 8.3
Lubrication systems	56.50-80	*
Fresh water system	61.10-5,	*
Refrigeration and air conditioning	58.20	*
Sanitary system	61.10-5, 33 CFR 159	*
Air receivers	61.10-5	4.6
Bulk tanks	54, 61.10-5	*

ITEM	U.S.	INTERNATIONAL
AUXILIARY MACHINERY INSTALLATIONS (continued)		
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Tensioner bottles	54, 61.10-5	*
Industrial systems	58.60 111.107	6.7, 8.10
Mud pumps	58.60	6.7, 8.10
Elevators	111.91	12.2
ELECTRICAL INSTALLATIONS		
General electrical installations	111	5.1,
Service generators	111.12	5.1 - 5.5, 7.9 - 7.10, 8.7.2
Emergency generator	112.50	5.3 - 5.4, 7.10
Emergency batteries	112.55	5.3, 7.10
Service power and lighting	111.75	5.2.2, 5.5.5, 5.5.7
Emergency power and lighting	112	5.3 - 5.4, 7.10
Lifeboat station emergency lighting	111.75-16	5.3.2, SOLAS 74 Chap. III, Reg. 11
Inflatable liferaft station emergency lighting	111.75-16	5.3.2, SOLAS 74 Chap. III, Reg. 11

ITEM	U.S.	INTERNATIONAL
ELECTRICAL INSTALLATIONS (continued)		
Switch boards	111.30	5.5.2, 5.3.1, 5.3.5, 8.7.2
Motor controllers	111.70	5.5
Internal communications and control systems	113.30	4.5, 5.6, 7.4, 8.4, 8.5
DIVING SYSTEM INSTALLATIONS		
Diving supervisor designated	197.210	14.6
Person in charge of diving operations designated	197.208, 197.402	14.6
Diving operations manual	197.420	14.6
Diving air compressors	197.310	14.6
Diving breathing supply	197.340, 197.450	14.6
Surface supplied air	197.432	14.6
Surface supplied mixed gasses	197.434	14.6
PVHO's	197.328 -.334	14.6
Diving helmets	197.322	14.6
Diving hoses	197.312	14.6
Diving harness	197.324	14.6
Diving depth gauges and time keeping devices	197.318	14.6
Diving ladders and stages	197.320	14.6
Diving logbook	197.482	14.6
Diving first aid equipment	197.314	14.6
SCUBA operations	197.430	14.6

ITEM	U.S.	INTERNATIONAL
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Boat drill	109.215, 109.431 - .433	10.6.3
Fire drill	109.213	10.6.3.3
Lifeboat operated in water	109.217	10.6.3.3
Lifeboat disengaging apparatus tested	107.239	10.5, SOLAS 74 Chap. III, Reg. 18
Lifeboat fuel changed annually	109.217	*
Lifeboat stripped and inspected	109.217	10.6.3.3
Lifeboat winch tested	109.221	10.6.3.3
Emergency radio tested	109.217, 109.431 - .433	10.7, SOLAS 74 Chap. IV, Reg. 14(i)
General alarm tested	109.201	*
Line throwing apparatus tested	109.207	*
Emergency generator tested	109.211	5.3.7
Emergency batteries tested	109.211	5.3.7
EPIRB tested	109.208	*
Steering gear tested	109.201, 33 CFR 164.25	*
Exposure suit worn during drill	109.215	*

ITEM	U.S.	INTERNATIONAL
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Record of serving of inflatable liferafts	109.219	1.6, SOLAS 74 Chap. I, Reg. 7
Person in charge designation	109.107, 33 CFR 146.5	10.6.1
Citizenship requirements	33 CFR 141	*
Station bill	109.501	10.6.2
Operating Manual	109.121	14.1
Construction portfolio	107.305(hh)	2.8
Fire control plan	107.305(v)	9.13.1, 14.1.2.13 SOLAS 74, Chap. II-2, Reg. 20
Classified location plan	110.25-1(k)	14.1.2.12,
Crane operator designation	109.527	*
Crane certificates	109.439	12.1.4
Crane record book	109.437	12.1.4
Logbook	109.431 - .433	*

CROSS REFERENCE OF REGULATIONS PERTAINING TO U.S. AND FOREIGN FLAG MODUs

Unless otherwise indicated, all U.S. cites reference Title 46 of the Code of Federal Regulations (CFR). Unless otherwise indicated, all International cites reference applicable sections of the IMO MODU Code. All SOLAS 1974 cites are from the consolidated text incorporating the 1981 and 1983 amendments.

* Indicates no equivalent International rule.

ITEM	U.S.	INTERNATIONAL
HULL STRUCTURE		
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Means of escape	108.151 - .167	9.3
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Fire detection system	108.404 - .413	9.7
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Pressure relief system for air/vapor type space with fixed CO2 system	108.457	*
Closures for spaces protected by fixed fire protection	108.455	9.10.1
Semi-portable extinguishers	108.491 - .496	*
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Fire axes	108.499	*